

MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Chairman Jay Emler at 9:30 A.M. on February 13, 2006 in Room 526-S of the Capitol.

Committee members absent:

Committee staff present: Athena Andaya, Kansas Legislative Research Department
Raney Gilliland, Kansas Legislative Research Department
Bruce Kinzie, Revisor of Statutes' Office
Ann McMorris, Committee Secretary

Conferees appearing before the committee:

Dave Corbin, Department of Revenue
Erick Nordling, Southwest Kansas Royalty Owners Assn.
John Crump, President, Southwest Kansas Royalty Owners Assn.
Jon Callen, KIOGA

Others in attendance. See attached list

Chairman opened the hearing on

H.B. 2673 - Information required to be provided to oil and gas royalty interest owners regarding royalty payments.

Proponents:

David Corbin, Assistant to the Secretary of Revenue, reported on the agreement reached by royalty owners and industry members on statutory requirements for information to be provided on royalty check stubs. The solution left unchanged the current requirements in K.S.A. 55-1620 and new provisions were added to the bill to specify information that payors would provide upon written request from a royalty owner. The proposed bill also contains two means of enforcement available to the royalty owners. (Attachment 1)

Erick Nordling, Executive Secretary of the Southwest Kansas Royalty Owners Association, elaborated on the solution gained through the efforts of the check stub task force and detailed the information on request section and the new sections added to the bill. (Attachment 2)

John Crump, President, Southwest Kansas Royalty Owners Association, voiced the Association's support of this bill.

Jon Callen, President, Kansas Independent Oil and Gas Association (KIOGA), stated KIOGA supports the passage of **H.B. 2673**. (Attachment 3)

Written testimony in support of **HB 2673** was provided by Terry D. Holdren, Kansas Farm Bureau Governmental Relations. (Attachment 4)

The Chairman closed the hearing on **H.B. 2673** and opened for committee discussion and possible action.

Moved by Senator Apple, seconded by Senator Petersen, to pass **H.B. 2673** out favorably to the Consent Calendar. Motion carried.

Chairman opened for discussion and possible action on

SB 463 - Consumer protection, telemarketing local exchange carriers, requirements.

Bruce Kinzie of the Revisor's Office, provided an amended version of **S.B. 463** with added language or proposal for a Substitute Bill. (Attachment 5) After considerable discussion,

Moved by Senator Reitz, seconded by Senator Petersen, to replace **S.B. 463** with **Substitute for S.B. 463**. Motion carried.

CONTINUATION SHEET

MINUTES OF THE Senate Utilities Committee at 9:30 A.M. on February 13, 2006 in Room 526-S of the Capitol.

The Chairman noted **S.B. 350** would be discussed at the February 14, 2006 committee meeting and amendments that are being drafted would be sent to those who had appeared before the committee on this bill as soon as they became available. Comments on the amendments will be permitted.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

Attachments - 5